



Deferred Maintenance Program Handbook

March 2001

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Deferred Maintenance Program

Handbook

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Preface

About this Handbook

This handbook is divided into topics relating to the Deferred Maintenance Program. These topics help organize the program's process and make it easier to locate specific information. The first topic is an "Overview" of the key points of the program. It also includes a description of the administering body of the law. The remaining topics will follow the program's application process.

About this Format

This handbook has been developed using the Information Mapping® method. Information is presented topically, eliminating the use of numbered section references. First, locate the topic you want using the Table of Contents. Then, you can quickly locate specific information on a particular topic by scanning key labels provided in the left margins.

Symbols and Conventions

The symbols used throughout this handbook have the following meanings:

- bullets indicate lists of items or topics.
 - examples and exhibits generally follow topic discussions.
 - ballot boxes are provided in "Required Documents" tables which can be copied and used as checklists.
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Updates/Corrections

Updates to this handbook are on-going. The latest version is available on the Internet at www.dgs.ca.gov/opsc. Corrections to this document should be forwarded to Publications at:

Office of Public School Construction
1130 K Street, Suite 400
Sacramento, CA 95814
916.322.4774

Obtaining Forms and Assistance

You can download the Deferred Maintenance forms from the Internet at www.dgs.ca.gov/opsc.

To obtain assistance with the submittal of the forms contact the:

Office of Public School Construction
Deferred Maintenance Program Unit
1130 K Street, Suite 400
Sacramento, CA 95814
916.445.3160

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Overview

Introduction

The intent of the program is to provide State matching funds, on a dollar-for-dollar basis, to assist school districts with expenditures for major repair or replacement of existing school building components so that the educational process may safely continue. Typically, this includes plumbing, heating, air conditioning, electrical systems, roofing, interior and exterior painting, floor systems, etc. Funds are also provided for critical hardship projects if the work must be completed within one year.

This handbook provides guidelines for receiving the annual Deferred Maintenance Basic Apportionment and for processing a Critical Hardship application under the provisions of the Deferred Maintenance Law.

The Law and Regulations

The Deferred Maintenance Program is subject to the provisions of California Education Code (EC), Section 17582 through 17592 and the State Allocation Board (SAB) Regulations, Title 2, California Administrative Code, Sections 1866 through 1866.10. Applicant districts are responsible for complying with all laws and regulations for any project undertaken pursuant to the requirements of the Deferred Maintenance Program.

In making an apportionment the SAB shall assume no legal responsibility for any lawsuits or liens filed against an applicant school district. Neither the State nor any State department or agency thereof, in making an apportionment, shall be required to assume any responsibility not otherwise imposed upon it by law.

Five Year Plan

The *Deferred Maintenance Five Year Plan*, Form SAB 40-1, provides a listing of eligible items of major repair or replacement to be considered by the district over a five year period. The five year plan is required by EC Section 17591. The SAB does not fund the projects from the five year plan but rather approves the five year plan as being eligible for the district to expend funds from its "District Deferred Maintenance Fund".

Program Funding

Funding for the Deferred Maintenance Program is made available from primarily three sources:

1. Excess repayments from the State School Building Aid Program.
2. State School Site Utilization Funds.
3. Funds provided through the Budget Act for the State School Deferred Maintenance Fund.

Any unallocated carryover from the prior fiscal year is also used to fund the program.

Apportionment Types

The apportionment types allowed under the Deferred Maintenance Law are:

Type	Education Code	See Page
Basic/Additional Apportionment	Sections 17584(b) and 17585	5
Critical Hardship Apportionment	Section 17587*	13

*Not less than one-half of all funds made available by Education Code, Section 17587 is to be apportioned to school districts that had an average daily attendance of less than 2,501 during the prior fiscal year.

Disabled Veteran Business Enterprises Policy

Not required for projects funded by this program.

Deferred Maintenance Five Year Plan

Introduction

The *Deferred Maintenance Five Year Plan*, Form SAB 40-1, details the district's schedule to accomplish the major repair or replacement work over a five year period.

General Requirements

A *Deferred Maintenance Five Year Plan*, Form SAB 40-1, must be submitted, or be on file with the Office of Public School Construction, that encompasses the current fiscal year, in which the district is applying for funding. The original plan may remain in effect for the full five years unless changes are made by the district to the plan. The district is required to submit a new plan after the fifth year in order to receive Deferred Maintenance funding. The district superintendent must sign the Form SAB 40-01 which identifies the district's five year plan.

The District must certify on the Five Year Plan, pursuant to EC Section 17584.1(a), that the district's governing board has discussed the proposals and plans for expenditure of funds for the deferred maintenance of school district facilities at a regularly scheduled public hearing.

Eligible Projects

Projects listed on the five year plan are limited to those school facility components which have approached or exceeded their normal life expectancy (see *Appendix 1, Life Expectancy of School Facilities Components*, pages 21 and 22). Facility components with a history of continued repairs, which indicates a shortened life expectancy, may be included as eligible items. District should assign priorities to projects emphasizing a higher priority to prevent further deterioration or damage to school facilities.

School facility components include schools and district administration facilities that are located on a school site. All facilities included on the Five Year Plan must be approved by the Division of State Architect (DSA) and must be owned by the district.

Deferred Maintenance Funds

The SAB does not fund the projects on the district's five year plan but rather approves the five year plan and the proposed projects. The maximum State funding allowed is based on a calculation as provided in EC Section 17584(b) and certified to the OPSC by the California Department of Education (CDE).

Amending the Five Year Plan

A district may amend its approved Five Year Plan as needed for the current and future fiscal years. A district is limited to amending its plan once per fiscal year, unless an unanticipated emergency project exists. Plan revisions are not required for estimated cost changes or a change in priorities of projects previously approved by the SAB. However, if the district is planning to complete a project or perform deferred maintenance work at a school that is not currently on the district's Five Year Plan, an amended plan must be submitted to the OPSC prior to the start of the work.

The Five Year Plan is due no later than May 30th for the current fiscal year. Exceptions may be made for emergencies.

Basic Apportionment

Introduction

All districts that have a current and SAB approved Five Year Plan, are eligible to receive a Basic Apportionment from the State School Deferred Maintenance Program.

Maximum Calculation

The maximum amount provided by law for the Basic Apportionment is based on a formula detailed in EC Section 17584(b). The calculation of the maximum amounts is made by the CDE.

The funding level for County Superintendents of Schools will be calculated using the formula of one-half of one percent of their total general funds exclusive of any amount budgeted for capital outlay or debt service.

Questions regarding the calculation of the maximum amount should be addressed to:

California Department of Education
Downtown Plaza
560 J Street, Suite 170
Sacramento, CA 95814

SAB Apportionment

The SAB apportions funds for the Deferred Maintenance Program one year in the arrears. Based on the amount of funds available, a district or county office of education may receive the maximum amount calculated by the CDE or a prorated amount. The apportionment is subject to the district matching the allocated State funds.

A district that receives Critical Hardship funding will receive the maximum amount calculated by the CDE to contribute to its Critical Hardship project. For more information on funding requirements, please refer to page 13.

Apportionment Process

The apportionment process includes the following stages:

Stage	Who Does It	What Happens
1	District	Submits to the OPSC a Five Year Plan that includes the current fiscal year.
2	OPSC	Presents the District's Five Year Plan to the SAB for approval.
3	SAB	Approves the Five Year Plan.
4	OPSC	Establishes an apportionment listing for Basic funds (and additional funds, if applicable) based on maximum amount (CDE calculation).
5	SAB	Approves and apportions the listing for Basic funds (and additional funds, if applicable) for the previous fiscal year.
6	District	Deposits funds in its District Deferred Maintenance Fund by the date specified in the annual funding SAB board item for the prior fiscal year.
7	County Office of Education	Certifies the amount(s) deposited on the Certification of Deposits (Form SAB 40-7) by the district or county superintendent of schools by the date specified in the annual funding SAB board item for the prior fiscal year.
8	OPSC	Processes the release of funds, for the previous fiscal year, through State Controller's office, not to exceed the lesser of the amount apportioned or the amount deposited by the district.

Document Required for Apportionment

The following document is required for an annual Basic Apportionment:

Document Number	Document Name	See Page
<input type="checkbox"/> SAB 40-1	Deferred Maintenance Five Year Plan (if currently not on file or has been revised)	3

Note: No application for Basic Apportionment is required. The Five Year Plan is deemed as the district's annual application.

Additional Apportionment

If the funds available for the Basic Apportionment in a fiscal year are greater than the amount needed to fully fund the maximum amount calculated for all districts, a district may receive an additional apportionment for work included in the Five Year Plan when the district is able to provide additional matching funds. The amount calculated for this apportionment can not exceed the amount calculated for the Basic Apportionment. For more information, refer to EC Section 17585.

**Assignment of
Application Number**

Upon submittal of the initial Five Year Plan an application number will be assigned. This number will be the five digit code in the California Public School Directory following the prefix "40". Districts should use this number and the appropriate fiscal year when corresponding with the SAB/OPSC.

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District Deposit

Introduction

In order to receive State Deferred Maintenance funds, the governing board of a school district is required to establish a restricted fund designated for the deposit of district and State matching funds. This fund is referred to as the “District Deferred Maintenance Fund”.

Deposit of District Funds

Deposits of district funds into the District Deferred Maintenance Fund are required by the date specified in the SAB approval item of each fiscal year. State matching funds, as apportioned by the SAB, are contingent upon such deposits (see *SAB Apportionment*, page 5). Any money deposited into this fund and any interest earned must be used on the projects listed on the district’s approved Five Year Plan. This fund is subject to an audit by the OPSC and the CDE.

If the District is a participant in the SFP, pursuant to EC Section 17070.75, it must establish a restricted on-going and major maintenance account. Annual deposits to that account in excess of two and one-half (2½) percent of the district general fund budget may be counted towards the district’s required matching fund necessary to receive apportionments in accordance with EC Section 17584(b).

Matching the Maximum

If a district does not deposit the maximum amount as calculated by the CDE, EC Section 17584.1 requires the district’s local governing board to submit a report (by the following March 1st) to the Legislature. The report is to include a schedule of the deferred maintenance needs for the current fiscal year and an explanation of how the district plans on meeting its current need without depositing the maximum amount calculated by the CDE. For specific information regarding the report requirements, please refer to the EC Section 17584.1.

Unmatched Carryover

Districts are encouraged to use any unmatched State funds on other Deferred Maintenance projects listed on the approved Five Year Plan. However, EC Section 17583 allows a district to transfer any unmatched State funds to other expenditure classifications in the district. If a district elects to transfer funds to purposes other than Deferred Maintenance, a school board resolution approving the transfer by a two-thirds vote is required. Districts are required to file the resolution with the county superintendent of schools and the county auditor. A report pursuant to EC Section 17584.1 will need to be filed if the district transfers any unmatched State funds out of the District Deferred Maintenance Fund.

If the district elects not to transfer the excess funds deposited to another expenditure classification, the excess funds deposited may be carried over and used to offset some or all of the match required for

Unmatched Carryover...

the subsequent fiscal year. Carry over funds are applicable only to the next fiscal year as each year stands on its own. The determination of the carry over amount will depend on the actual funds deposited in the previous fiscal year.

Fund Release

County offices of education are required to certify the district's annual deposits to the OPSC on the *Certification of Deposits*, Form SAB 40-7. The State warrant (not to exceed the lesser of the amount apportioned or the deposit by the district) is then issued in the county's name by the State Controller's Office for deposit into the district's fund. Funds can be expected within three weeks of OPSC's receipt of the Form SAB 40-7.

**Document Required for
Fund Release**

The following document is required for a fund release:

Document Number	Document Name	See Page
<input type="checkbox"/> SAB 40-7	Certificate of Deposits	9

Project Expenditures

Introduction

The governing board of each district shall have complete control over the funds deposited and the earnings of funds once deposited into the District Deferred Maintenance Fund. Expenditures made from this fund must be expended for projects shown on the district's approved five year plan.

Legal Requirements

All work must be bid in accordance with the Public Contract Code. All contracts must comply with the Education Code, Government Code, Public Contract Code, California Code of Regulations (Title 24), and any local legal requirements.

Deferred Maintenance and Modernization

School districts anticipating expenditures of deferred maintenance funds on a project being performed in conjunction with a Lease-Purchase Program (LLP) or School Facility Program (SFP) modernization project must:

- Obtain approval from the SAB if this is a Critical Hardship application (please refer to page 13).
- Have the project on the district's approved Deferred Maintenance Five Year Plan. Failure to include the project on the Five Year Plan may result in an ineligible expenditure from the District Deferred Maintenance Fund.

A LPP or SFP modernization funding application that is being performed in conjunction with a Deferred Maintenance Critical Hardship application, must include a declaration to the OPSC of the intent to include deferred maintenance work in its modernization project, at the time the funding application is submitted. A cover letter signed by the district representative must accompany the application detailing the modernization work in the project and the estimated amount of the deferred maintenance work.

Allowable Architect and Engineer Fees

Architect and Engineer (A/E) fees are generally allowed under the following conditions:

- An existing system design is faulty and replacement in kind would not alleviate future damage (i.e., a flat roof is redesigned to a sloped system to alleviate recurring leakage and interior damage).
- An obsolete, ineffective system is abandoned due to the district's inability to obtain parts.

Allowable Architect and Engineer Fees...

- Technological changes prevent portions of the existing system from being used in conjunction with the replacement system and design changes are necessary to accommodate the new system.
 - The Division of the State Architect, Office of Regulation Services (DSA/ORS), requires structural changes.
-

Maximum Allowable Architect and Engineer Fees
(Critical Hardship projects only)

The combined compensation for A/E service fees are limited to a maximum of 12 percent of the construction cost when those costs do not exceed \$500,000. If the construction costs exceed \$500,000, the allowable A/E fees will be calculated based on a sliding scale. For more information, please refer to *Appendix 4, Architect/Engineer Fee Schedule*, page 29.

For purposes of calculating the A/E service fees, the computed cost is the total award from construction contracts, plus the cost of all approved additive contract change orders (with the exception of items resulting from errors and omissions on the part of the architect). All change orders must be submitted to OPSC for approval.

Note: The district is expected to negotiate the best possible terms for professional services.

Critical Hardship Funding

Important Note

The OPSC must determine the hardship project is eligible for State funding prior to the start of construction. A project started prior to this determination will not be recommended for apportionment by the SAB. If the project meets the requirements of a Priority One project, contact OPSC immediately.

Introduction

Applications for a Critical Hardship apportionment may be submitted at any time throughout the fiscal year but must be deemed complete prior to the start of construction and May 30 in order to be considered for funding for that fiscal year. A critical hardship exists when the SAB determines the existence of all of the following:

- The district has deposited the required Basic contribution in its Deferred Maintenance Fund or Major Maintenance Fund; and,
- The district has a project on its Five Year Plan which, if not completed in one year could result in serious damage to the remainder of the facility or would result in a serious hazard to the health and safety of the pupils; and,
- The total funds deposited by the district and the State for the Basic Apportionment are insufficient to complete the Critical Hardship project.

Funding Requirements

The funding requirements of a Critical Hardship project are as follows:

Critical Hardship Project Number	District Requirement
First Project	The annual Basic amount determined by the CDE for the fiscal year, in which the project is funded.
Second Project	A 50 percent contribution by either: <ul style="list-style-type: none">• Cash• Agreement to repay its 50 percent share by an offset of future Basic Apportionments for a period not to exceed five years.
Third and Subsequent Projects	A 50 percent cash contribution for each project.

Funding Priority

The SAB will utilize the following funding prioritization for Critical Hardship requests:

Priority	Description of Projects
1	Resolution passed by the local school board to close the school or portion of the school pending repairs. (Closure must be during actual period of time when school is in session.)
2	Underground toxic/contaminated tank cleanup and removal, roofing, plumbing (water/sewer), heating/air-conditioning, and electrical.
3	All other items, such as wall systems, floor systems, and paving, etc.

Note: Funding of projects with the same priority, will be made based on the date the request was approved by the SAB.

Critical Hardship Application Package

The following documents are required in order for the application to be deemed complete.

Form Number	Document
SAB 40-1	A revised Deferred Maintenance Five Year Plan including the Critical Hardship project OR a copy of the district's current plan identifying the project.
SAB 40-5	Critical Hardship Application
None	Detailed cost estimate with unit cost breakdowns. Lump sums are not allowed.
None	Architect engineer report detailing: <ol style="list-style-type: none">1. How the project qualifies as a hardship as defined in EC Section 17587.2. A recommended solution to correct the problem.3. Detailed description of work being performed.
None	Plot plan identifying location of work.

The Critical Hardship application package is reviewed by the OPSC for completeness and placed on a Deferred Maintenance Critical Hardship workload list by received date order. The workload list can be viewed on the OPSC Web site at www.dgs.ca.gov/opsc. The applications are then processed in date order for presentation to the SAB for consideration.

In some cases, the OPSC may find that an application lacks required information. If this is the case, the OPSC will return the application

Critical Hardship Application Package...

unprocessed with notification of the missing documents. Should this occur, the district may resubmit the application at any time once the required information is available.

Multiple Critical Hardship Projects

Regulation Section 1866.5 provides a method for requesting funding of two or more Critical Hardship projects in the same fiscal year. A district that plans on submitting more than one Critical Hardship application in a fiscal year will need to submit all the applications to the OPSC at one time. Additional applications will be returned to the district and will only be eligible for consideration the following fiscal year. The district must complete the Contribution Requirement Section of the *Deferred Maintenance Hardship Application*, Form SAB 40-5, and indicate how it intends to finance the second and subsequent Critical Hardship projects, as stated under Funding Requirements (page 13).

One-School District

A Critical Hardship project of a district with only one school may include other major repair or replacement work deemed essential for basic utilization and functioning of the school. If the district plans on submitting more than one Critical Hardship project, the OPSC will need a *Critical Hardship Application*, Form SAB 40-5, for each project category and an SAB 40-5 that combines all the projects into one critical hardship request.

OPSC Review

Requests for a Critical Hardship apportionment must be submitted by the district on the *Critical Hardship Application*, Form SAB 40-5. The review process of a hardship project by OPSC is as follows:

Stage	Who Does It	What Happens
1	District	Submits a complete Critical Hardship application package to the OPSC.
2	OPSC	Determines the eligibility and may conduct a site visit prior to start of construction about 15-20 days after the receipt of a complete Critical Hardship application package. Notifies district of findings.
3	OPSC	If eligible, recommends application for approval by SAB.

SAB Approval Process

The SAB approval/action can either be funded or “unfunded” depending upon the extent of Deferred Maintenance funds available. If the approval is “unfunded” the district will be placed on an “unfunded” list by priority order and SAB approval date order. Once funding becomes available, the SAB will fund projects by priority and SAB approval date order. The district has one year from the SAB funding approval to complete the project in order to be in compliance with EC Section 17587. Only projects that meet the Critical Hardship financial require-

SAB Approval Process...

ments at the time of funding will receive hardship funding. If the request does not meet the Critical Hardship criteria, the district may still complete the project with its Basic Apportionment and district's matching share.

Fund Release

The apportionment phase is usually after the end of the fiscal year. The County Superintendent of Schools must certify that the district has made its deposit for the Basic Apportionment into its District Deferred Maintenance Fund prior to a fund release. (Please refer to the *District Deposit* section on page 9 for further information.)

Project Increases

Only expenditures for work outlined in the application and approved by the SAB will be recognized as eligible. A district may be eligible for an increase to a Critical Hardship project if the bid or subsequent re-bids are higher than the total estimated cost of the project or additional related work is encountered within the scope of the original project (i.e., change orders). The following documents are required for an increase to a project:

1. An amended *Critical Hardship Application*, Form SAB 40-5.
2. A statement as to why the additional work or cost is necessary.
3. A detailed cost estimate from the architect, which outlines the cost of the work completed under the initial approval, as well as the additional related work and cost necessary to complete the project along with a copy of the low bid (if applicable).
4. A certification verifying that:
 - The district has contracts for all work performed to date on file.
 - The contracts were entered into in accordance with the requirements of the Education, Government, Public Contract Codes, California Code of Regulations (Title 24), and other legal requirements.
 - The district has obtained legal counsel approval of all contracts.

Increases for work that was not originally contained in the scope of the project are not eligible. However, a district may submit a new Critical Hardship application for the additional work. The OPSC will review the application to determine the eligibility of the project.

Ineligible Critical Hardship Expenditures

The following are examples of ineligible Critical Hardship expenditures:

- Enhancements. For example, if a district has a shingle roof, which qualifies for replacement, it must be replaced with a shingle roof. If the district wishes to replace it with a metal roof, the State will not fund the project, unless (1) the cost is the same or less than that of a shingle roof or (2) the district agrees to fund the difference between the cost of a shingle roof and the cost of a metal roof. Generally, replacements should be like for like unless prohibited by DSA or by local ordinance.
- Labor, profit, and overhead included as separate line items on the cost estimate. They must be distributed to the appropriate construction lines on the cost estimate.
- Additional contingency amounts added to the cost estimate. The *Critical Hardship Application*, Form SAB 40-5, has a separate line for contingencies and allow for five percent of the total planning, construction, tests, and inspection costs. These funds are available only for use of increased cost as approved by the OPSC.
- Service warranties.
- Equipment rental.
- Work done on buildings not owned by the district.
- Work done on buildings not approved by the Division of the State Architect.
- Repairs on portable buildings that exceed 50 percent of the replacement cost. The request may be submitted to the SFP as a modernization project.
- Costs to abate friable asbestos encountered as a result of construction (i.e., modernization project).

Assignment of Application Number

Upon submittal of a *Critical Hardship Application*, Form SAB 40-5, an application number will be assigned to the project. Following the prefix "40", this number will be the five digit code in the California Public School Directory, the last two digits of the beginning fiscal year, in which the district is applying for funding, and lastly the number of projects submitted by the district. For example:

40/99999-00-02

The above number would represent a district's second 2000/2001 Fiscal Year Critical Hardship project. Districts should use this number when corresponding with the SAB/OPSC.

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Critical Hardship Audit

Introduction

A final audit is initiated when all project expenditures have been made, but no more than one year after the apportionment is made. An expenditure report must be submitted within 30 days after the final expenditure has been made, but no later than two years from the apportionment.

Form SAB 184DM and SAB 184ADM

All expenditures reported on the final *Detailed Listing of Warrants Issued by the District*, Form SAB 184ADM must be summarized on the *Summary of Expenditures and Construction Progress*, Form SAB 184DM.

Notice of Completion

A recorded Notice of Completion for the project must accompany the Form SAB 184ADM and Form SAB 184DM.

Fund Reconciliation and Cost Analysis

When a complete audit of all expenditures reported by the district has been conducted by the OPSC, a “Deferred Maintenance Program Hardship Project Cost Analysis” report will be issued. This report reflects a summary of the total eligible State funded project costs. In addition, any adjustment made to the district’s Form SAB 184DM and Form SAB 184ADM will also appear in this report.

During this process, the district is required to review the report and respond to inquiries made by the OPSC.

Closing Action/ Release of Funds

The project’s final closing action consists of one of the following:

If...

the final eligible State funded costs are within the eligible costs authorized by the SAB

the final eligible costs are in excess of the eligible costs authorized by the SAB

Then...

the OPSC closing action will be executed administratively.

the OPSC closing action will require SAB approval.

Once the final closing action has been completed by the OPSC, additional expenditures will not be recognized.

Release of Funds/Refund

Funds due to the district as a result of the closing action will be released to the district.

If the closing action determines that a refund is due to the State, a request will be made to the district for the refund.

**Documents Required for Critical
Hardship Post Project Audit**

The following documents are required for Critical Hardship final audit:

Document Number	Document Name
<input type="checkbox"/> None	Signed and awarded contract(s)
<input type="checkbox"/> None	Change Order(s)
<input type="checkbox"/> None	Completion notice(s) showing date recorded
<input type="checkbox"/> None	All invoices except those paid to the main construction contractor
<input type="checkbox"/> SAB 184DM	Summary of Expenditures and Construction Progress
<input type="checkbox"/> SAB 184ADM	Detailed Listing of Warrants Issued by the District

Appendix 1: Life Expectancy of School Facilities Components

The following chart provides the life expectancy of school building components.
Note: Life expectancies are not sufficient justification for critical hardship approval.

School Facility Component	Life Expectancy
Floor Covering:	
Asphalt tile and vinyl asbestos tile	20 years
Carpeting	10 years
Painting, Interior:	
Classroom, library, offices, cafeteria, and hallways	13 years
Kitchens, lunchrooms, and restrooms	8 years
Painting, Exterior:	
Exterior stucco or masonry	7 years
Exterior wood and metal trim (including all woods, metal, and the siding on bungalows)	3 years
Electrical and Communication Systems:	
Electrical panels and switch boards	a
Signal systems, including fire alarm, and public address	b
Roofing:	
Asphalt tile and vinyl asbestos tile	20 years
Clay or cement tile	30 years
Slate	40 years
Felt base, 40 lbs. and 80 lbs. asbestos or glass cap sheet with coated aluminum	20 years
Felt, 5-ply, and gravel	20 years
Felt, 15 lbs. and 90 lbs. cap sheet	10 years
Composition shingles, 40 lbs.	15 years
Composition shingles	25 years
Flashings, gutters and downspouts	30 years

Continued on next page

a - Replacement parts are no longer available.

b- When accumulated single repairs projects cost equal the unit acquisition cost.

School Facility Component	Expectancy Life
Heating:	
Gas-fired unvented wall heaters/other heaters	30 years
Individual heating units except gas-fire unvented wall heaters	15 years
Ventilation/Air-Conditioning:	
Central systems	30 years
Individual units	15 years
Cafeteria and automotive fume exhaust systems	none
Underground Storage Tank	17 years

Appendix 2: Frequently Asked Questions

How may I obtain current information and forms for the Deferred Maintenance Program?

On our Web site at www.dgs.ca.gov/opsc; or, by contacting your Deferred Maintenance Program Project Manager at (916) 445-3160.

How is our “matching” share determined?

Pursuant to EC Section 17584(b), the California Department of Education determines the appropriate district share.

Can interest earned by a district be used as part of the district match share in subsequent years?

If the district does not have a Critical Hardship project, one-half of the interest amount may be applied toward the district match. However, if it does have a Critical Hardship project, the full amount of interest earnings must be applied to the Critical Hardship apportionment.

Will my deferred maintenance project require DSA approval?

The District should contact the DSA for guidance.

On our Five-Year Plan (Form SAB 40-1), can the following items be included:

- 1. Asbestos inspection***
- 2. Door hardware***
- 3. Carpets***

1. Asbestos inspection: No, however, asbestos encapsulation or removal is an eligible item. If a district encounters friable asbestos within a classroom and if test results show the particulates to be more than 0.5 particles per square inch, the project may be eligible. Asbestos inspections is generally deemed an administrative cost.
2. Door hardware: Yes, it may be included in the category of “wall systems”.
3. Carpets: Yes, it may be included in the category of “floor covering”.

Our Critical Hardship project has received an “unfunded” approval—what does this mean?

The State Allocation Board (SAB) will reimburse the District for eligible project costs once funds are available, if the project still meets the financial portion of the law, and the project meets the SAB funding priority requirements.

What if my district cannot complete its Critical Hardship project within the one-year timeline?

A Critical Hardship approval is based on criteria set forth in California EC Section 17587 (2). Specifically, the certification made by the District and its architect or engineer verifies that if repairs are not made within one year, serious damage to the remainder of the facility could occur and/or the health and safety of the pupils in attendance at the facility could be jeopardized.

If the District is unable to complete the project within one year of the SAB apportionment, notify the OPSC immediately, in writing, of the conditions that precludes project completion within the established time period.

Does the district have to bid the project if an emergency situation occurs?

For an “emergency” contract to be awarded under the provisions of the Public Contract Code, Section 20113, the District must:

- obtain approval from its School Board, by unanimous vote; and,
 - obtain approval by the County Superintendent of Schools; and,
 - comply with the legal requirements listed for the solicitation of bids; and,
 - obtain contract approval by legal counsel.
-

Appendix 3: Deferred Maintenance Program Filing Deadlines

Form Number	Document Name	Due Date
SAB 40-1	Five Year Plan of Maintenance Needs	May 30*
SAB 40-5	Critical Hardship Application	May 30*
SAB 40-7	Certification of Deposits	Specified in the annual SAB approval item for the prior fiscal year allocation.

*Documents are due for the current fiscal year.

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Appendix 4: Architect/Engineer Fee Schedule (Critical Hardship Projects)

The following schedule is used to determine the maximum reimbursable architect fees allowed by the SAB. The rates below are applied to the amount of the project construction contract including changes orders.

Amount of the Construction Contract	Maximum Percentage
First \$500,000	12%
Next \$500,000	11½%
Next \$1,000,000	11%
Next \$4,000,000	10%
Over \$4,000,000	9%

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Appendix 5: Applicable Education Code Sections

California Education Code Section	Description
17582	Provides provisions for the establishment of the District Deferred Maintenance Fund and subsequent expenditures.
17583	Allows for the transfer of excess local funds from the District Deferred Maintenance Fund.
17584	Establishes the calculation method for the Deferred Maintenance maximum apportionment as calculated by the California Department of Education.
17584.1	Sets criteria that the district's five year plan be discussed at a regularly scheduled public hearing and reporting requirements for districts that do not set aside the Deferred Maintenance maximum amount as calculated pursuant to EC Section 17584.
17585	Establishes guidelines for school districts to receive an additional apportionment from the State, if funds are available for projects listed on their Five Year Plan.
17587	Establishes application and funding criteria for districts that are eligible for Critical Hardship.
17588	Establishes the apportionment method for Critical Hardship projects.
17591	Establishes guidelines for districts regarding the filing and approval of the Five Year Plan.
17592.5	Provides the authority to allocate Deferred Maintenance funds for two regional occupational centers.

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Appendix 6: Ineligible Deferred Maintenance Expenditures

Allowable expenditures consist of major repair or replacement of existing school building components. The following are examples of ineligible Deferred Maintenance expenditures:

- Projects not included and approved on the Five Year Plan
- Work performed on non-DSA approved buildings
- Projects being performed solely to bring the facility component up to original code
- Repair and maintenance of furniture and equipment (e.g. kitchen equipment, office and movable desks)
- Ongoing preventative maintenance (e.g., periodic inspection and cleaning, replacement of bulbs and minor repairs, individual floor tiles, individual ceiling tiles, etc.)
- Installation of new items that did not previously exist
- Consultant fees
- Energy conservation
- Landscaping, fencing, irrigation, and sprinkler systems
- Athletic stadium equipment (bleachers, score boards, etc.)
- Window curtains and blinds, stage curtains, or black out curtains
- Tables and counter tops (unless permanently attached to a wall)
- Whiteboards, chalkboards, and blackboards
- Playground equipment
- Replacement of portable buildings
- Force Account Labor (contact your Deferred Maintenance Project Manager for specifics)

Please be advised that the above listing is only a sample of ineligible projects and does not encompass all the ineligible expenditures concerning the Deferred Maintenance Program.

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Appendix 7: Deferred Maintenance Program Forms

Form Title	Form Number
Five Year Plan	SAB 40-1
Critical Hardship Application	SAB 40-5
Certification of Deposits	SAB 40-7
